

Semi-annual Progress Report

NASA Research Grant NGR-05-007-047 University of California  
**UNPUBLISHED PRELIMINARY DATA**

There is no question that space programs and efforts, regardless of domestic source of funds, are having a far reaching and pervasive impact on the nation. However, the questions of how, where, and how much are not yet answered. Efforts are underway, in many quarters, to seek answers, quantitative where possible, to these questions. The Institute of Government and Public Affairs, University of California at Los Angeles, is concentrating at this time on some economic questions centering about the NASA postcard reporting system for first and second-tier subcontractors.

This data, although representing a relatively small area of economic activity, must be analyzed in order to obtain a more rounded picture of NASA impacts than would be derived simply from analysis of prime contracts. A considerable portion of our initial effort has gone into gaining an understanding of the postcard reporting system and its relationship to the total NASA program effort. The data has many weaknesses which will be reported. These weaknesses, however, do not invalidate their use in substantive and methodological analysis.

The Institute is currently evaluating the postcard data in order to formulate hypotheses "explaining" the historic geographic distribution of subcontract awards. The central question here is whether this distribution is correlative to such key regional economic capabilities as income, wages, specific industrial capabilities and skills. If such relationships are found they can assist in the formulation of NASA policy as well as explain the distribution of NASA subcontracts.

FACILITY FORM 602	N65-84175	(THRU)
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	CR 62547	(CODE)
	(NASA CR OR TMX OR AD NUMBER)	(CATEGORY)

Operationally, the work effort is concentrating on two phases. First, an internal working paper has been prepared which analyzes and selects the economic and demographic variables potentially related to the geographic distribution of NASA subcontracts. Currently we are developing the mathematical formulas and computer algorithms needed to determine which variables are significant in the explanation of NASA subcontract distribution.